

House Higher Education Committee

Minnesota Office of Higher Education

January 26, 2012

Minnesota State Statute #136A

- Administer state financial aid programs
- License private collegiate and career schools
- Administer tuition reciprocity agreements
- Administer federal programs

Minnesota State Statute #136A

- Collect, maintain and report data on students and postsecondary institutions
- Develop and implement a process to measure and report on the effectiveness of postsecondary institutions

Minnesota Measures
2011 Report on Higher Education Performance



MINNESOTA
OFFICE OF
HIGHER
EDUCATION

reach higher

styles

Minnesota Measures

Preparing for and Entering Postsecondary

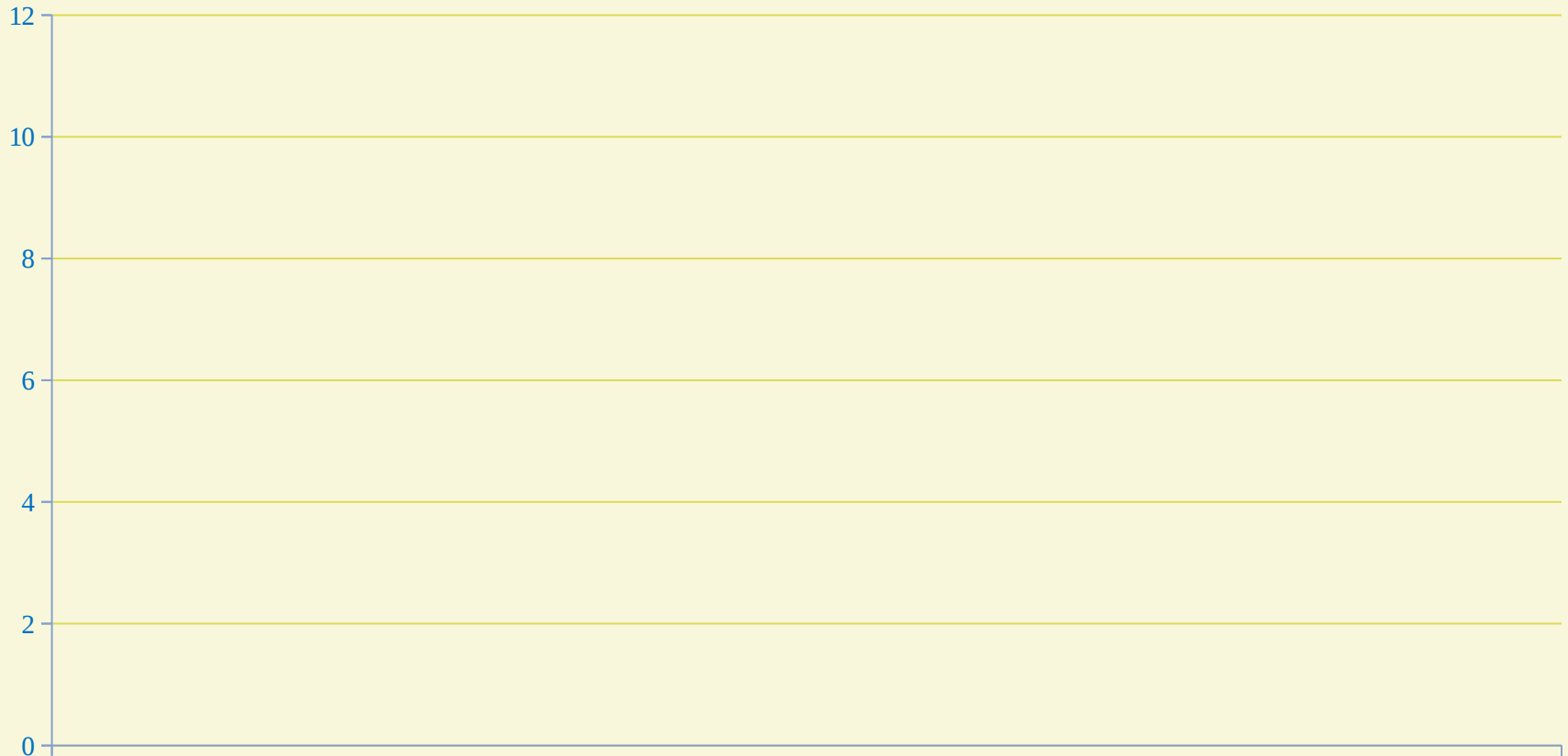
A considerable gap persists in preparedness by income (p. 8)

Mathematics Grade 11
Minnesota Comprehensive Assessment
2011 Results by Special Populations
Minnesota Public Schools

100%
75%
50%
25%
0%

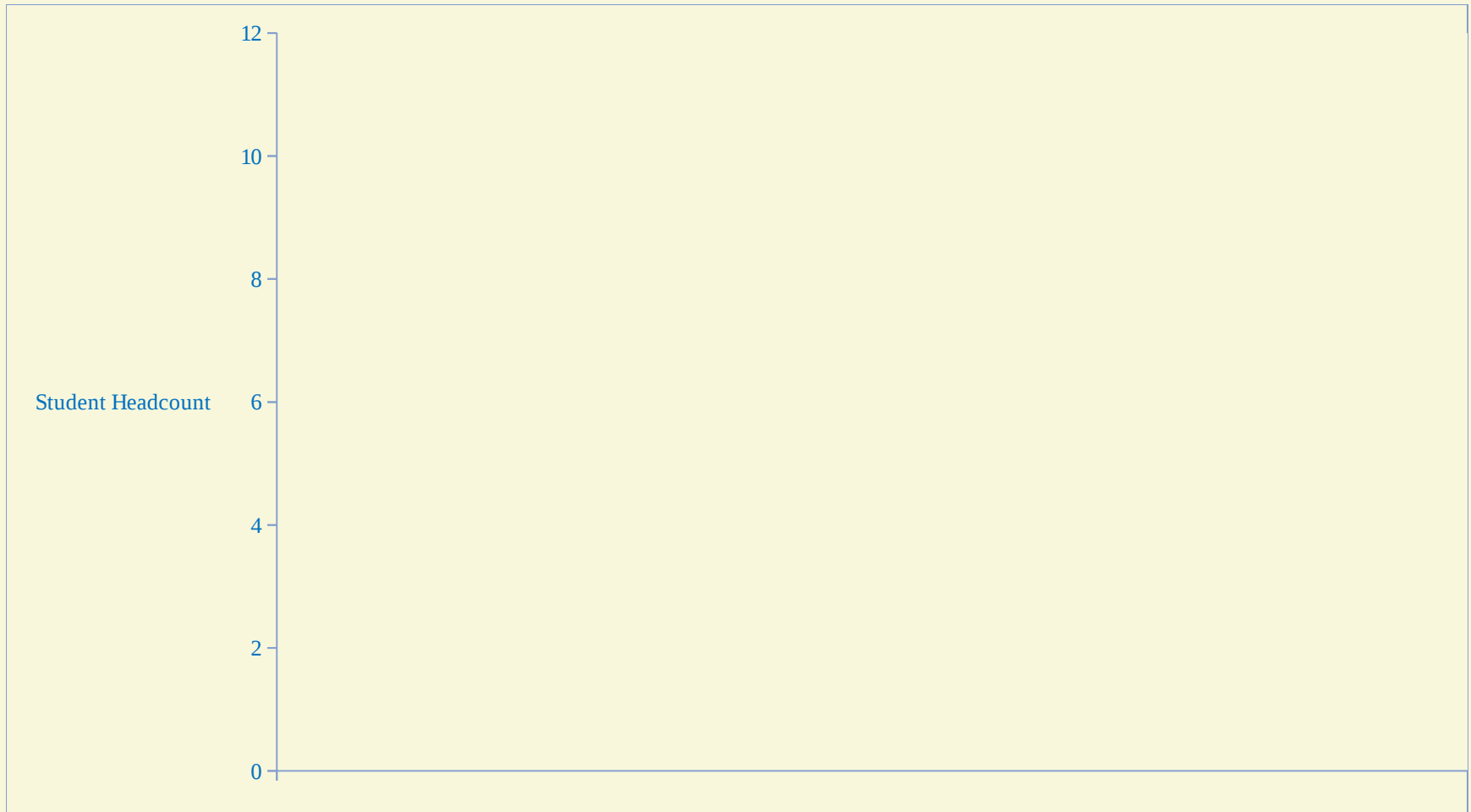
Grants and scholarships reduce the published tuition and fees students pay (p.19)

as Compared to Net Tuition and Fees for First-time, Full-time Students at Minnesoc



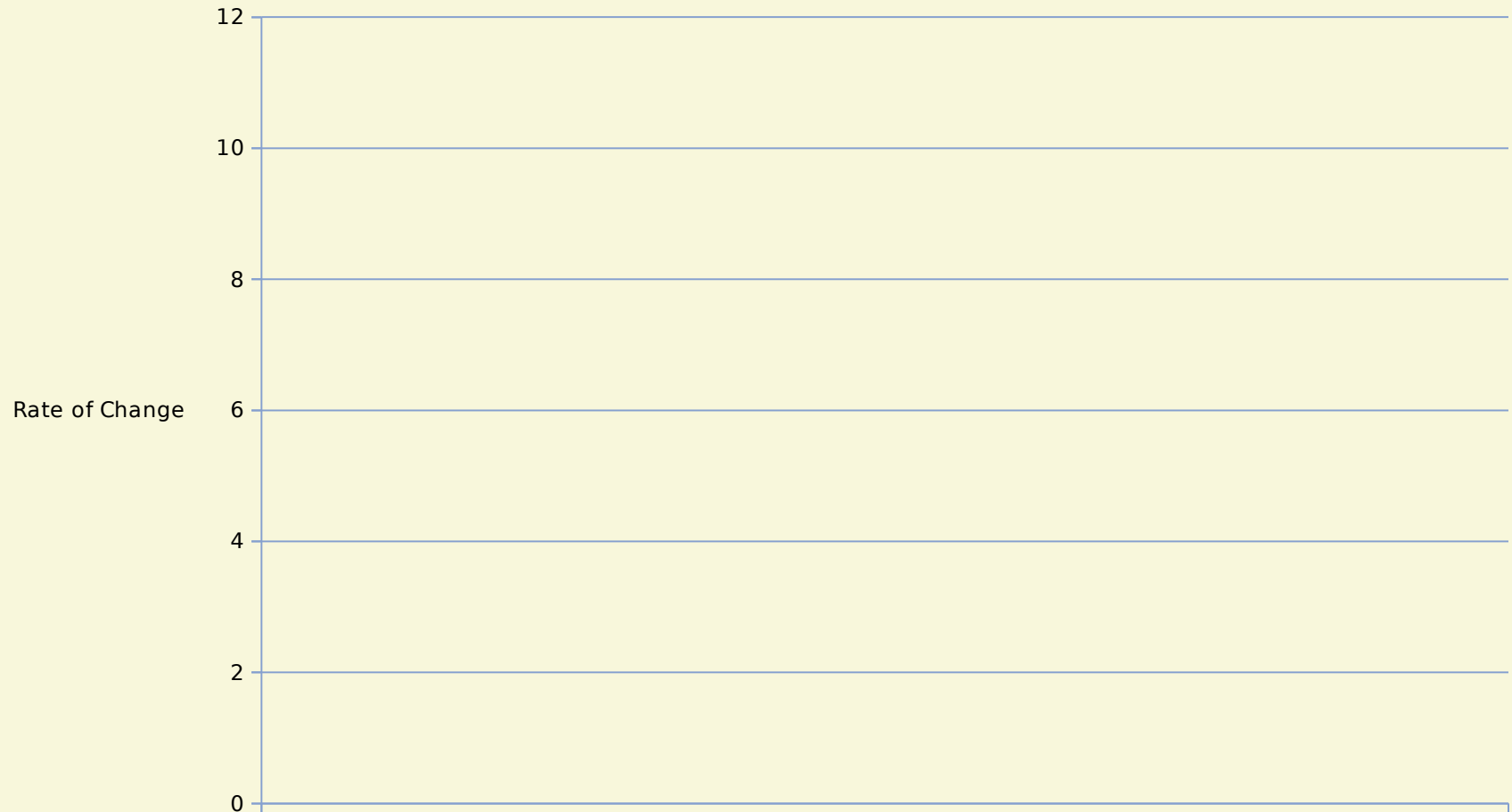
During Postsecondary

The largest increases in undergraduate enrollment at 2-year institutions (p. 30)



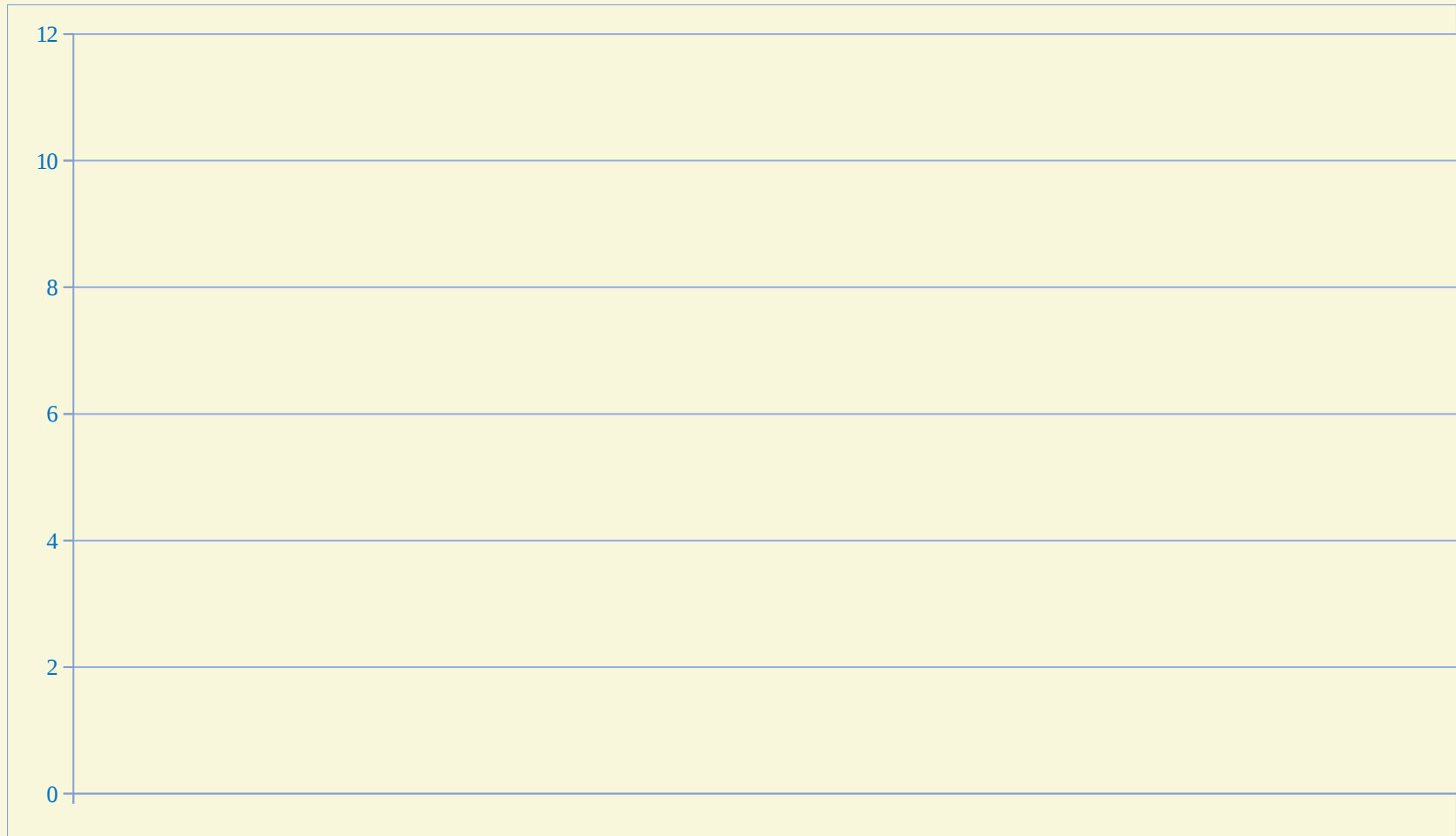
The total amount borrowed increased faster than tuition (p. 49)

Minnesota Resident Undergraduate Tuition and Fees, Federal and State Grant Aid, and Undergraduate Borrowing, 1993-94 to 200

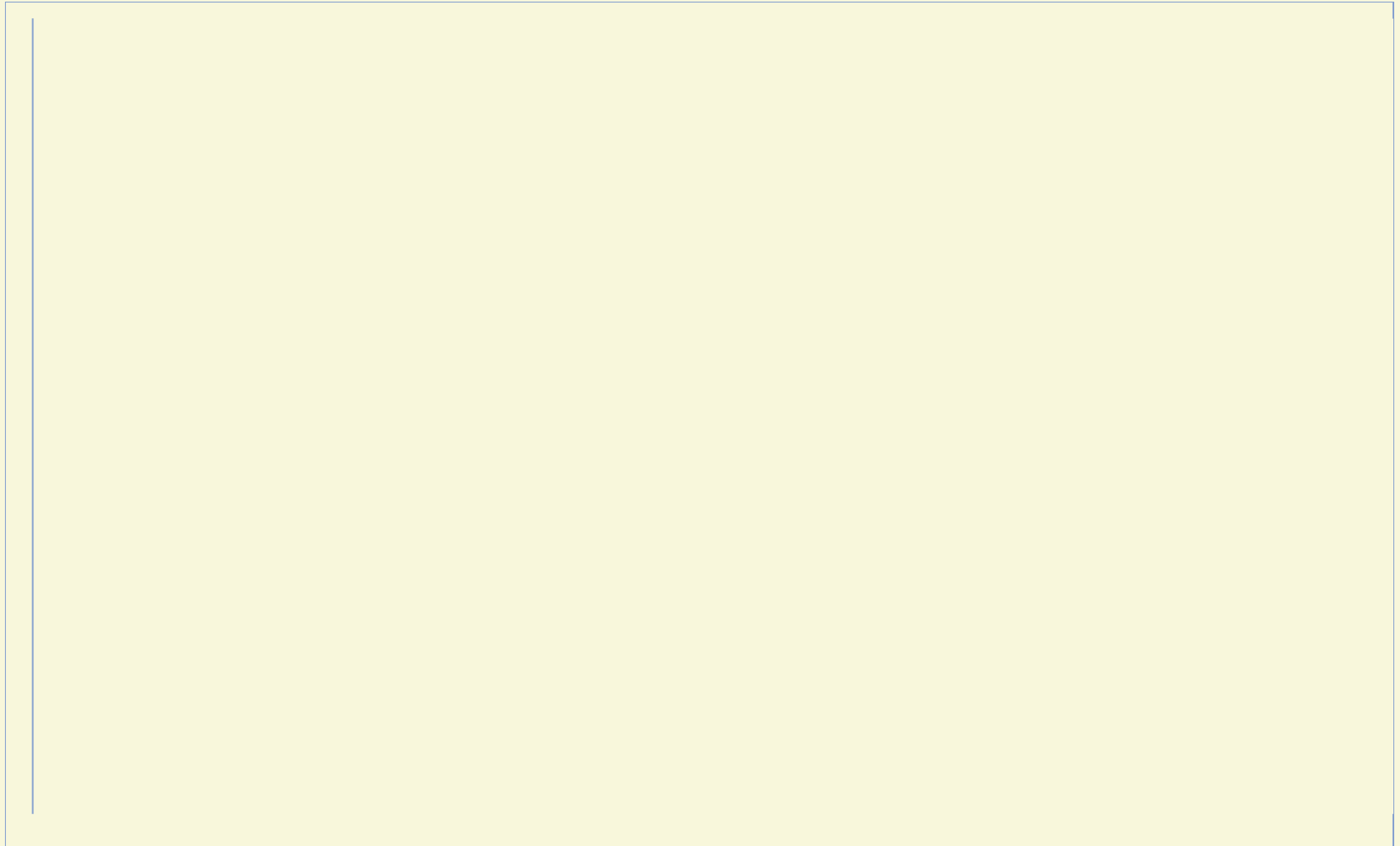


Outcomes of Postsecondary

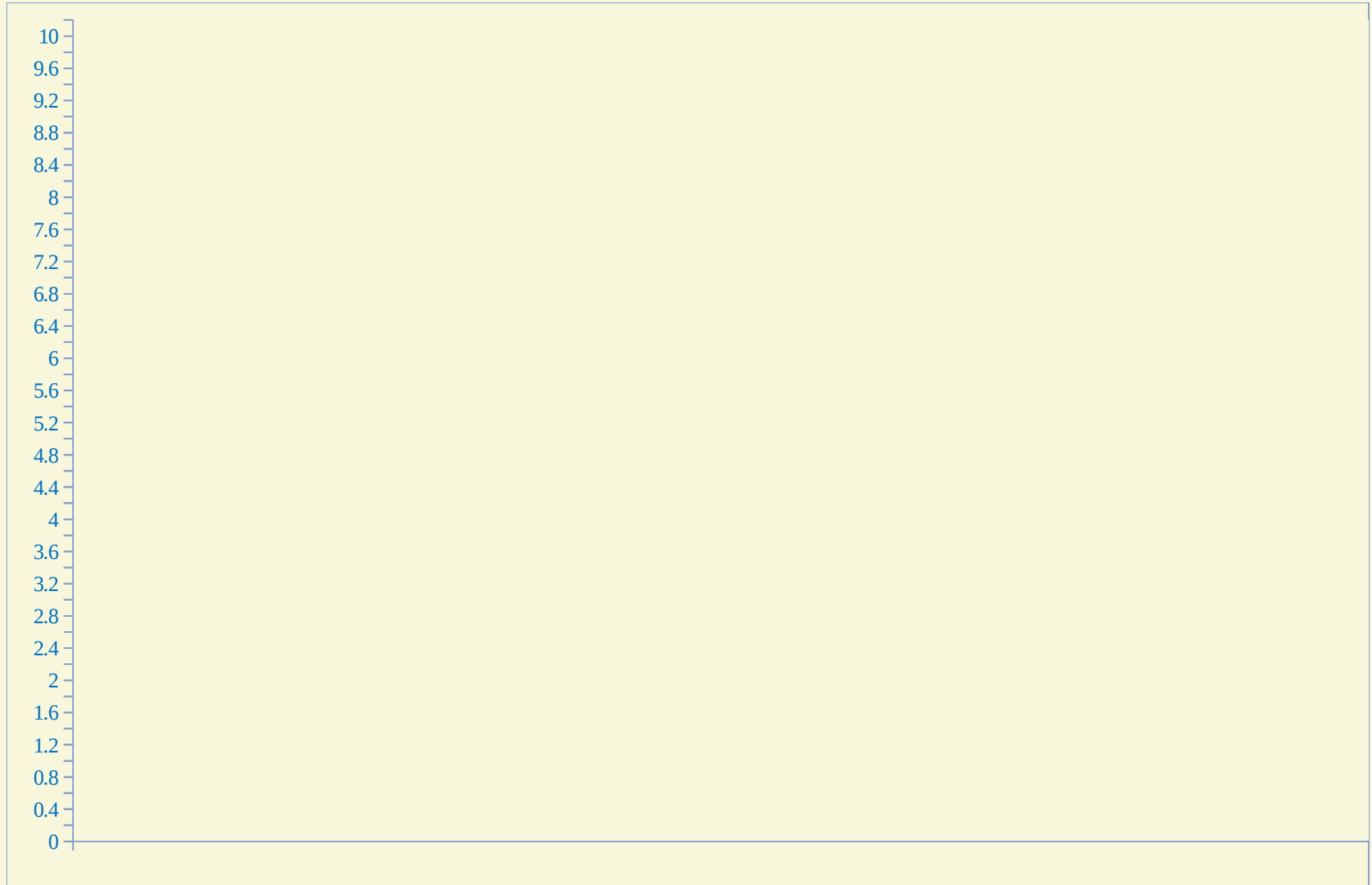
41 percent of Minnesotans have an associate degree or higher, ranking 6th nationwide (p. 65)



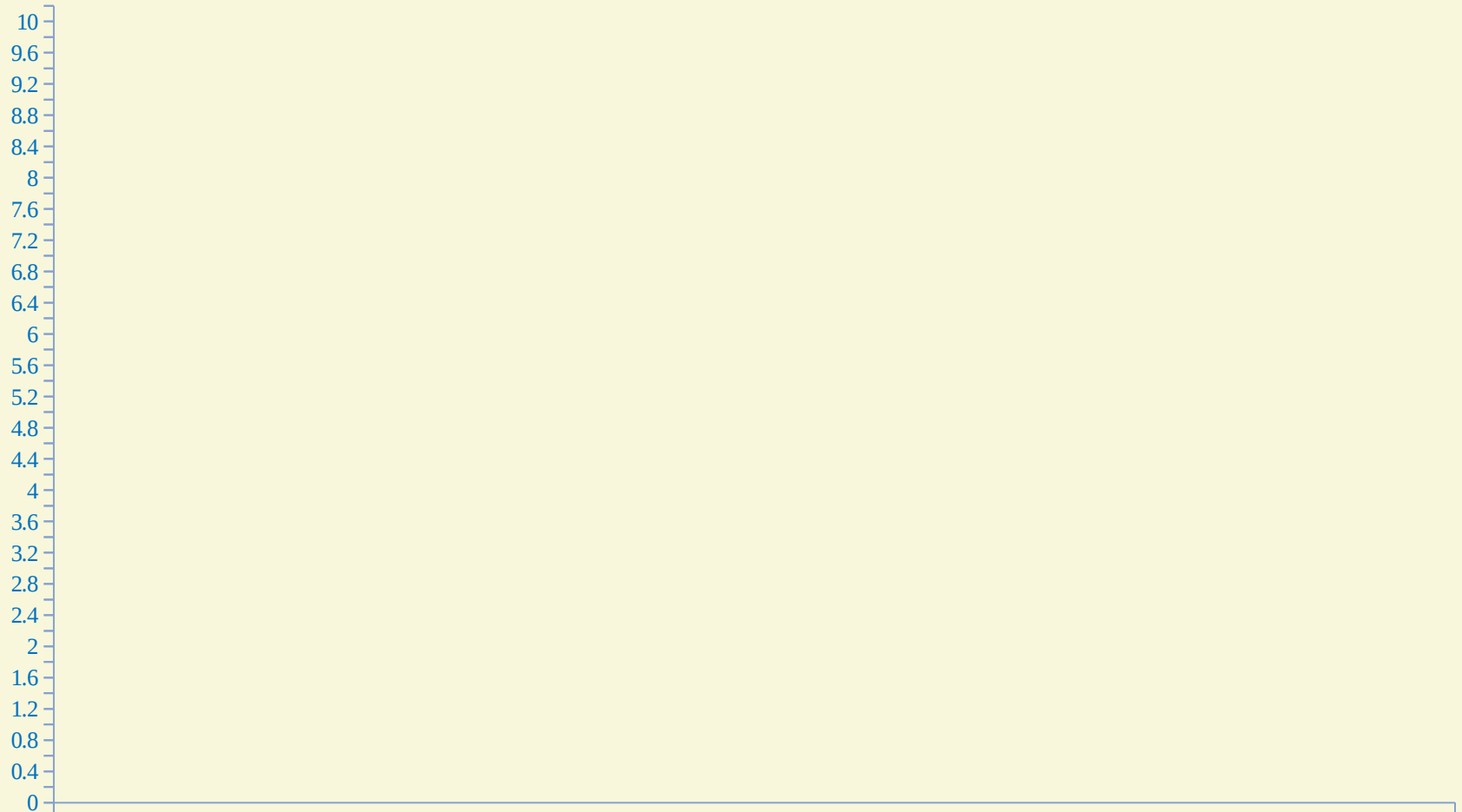
Gaps exist in attainment between racial and ethnic population groups (p. 66)



Graduation rates have been increasing (p. 68)

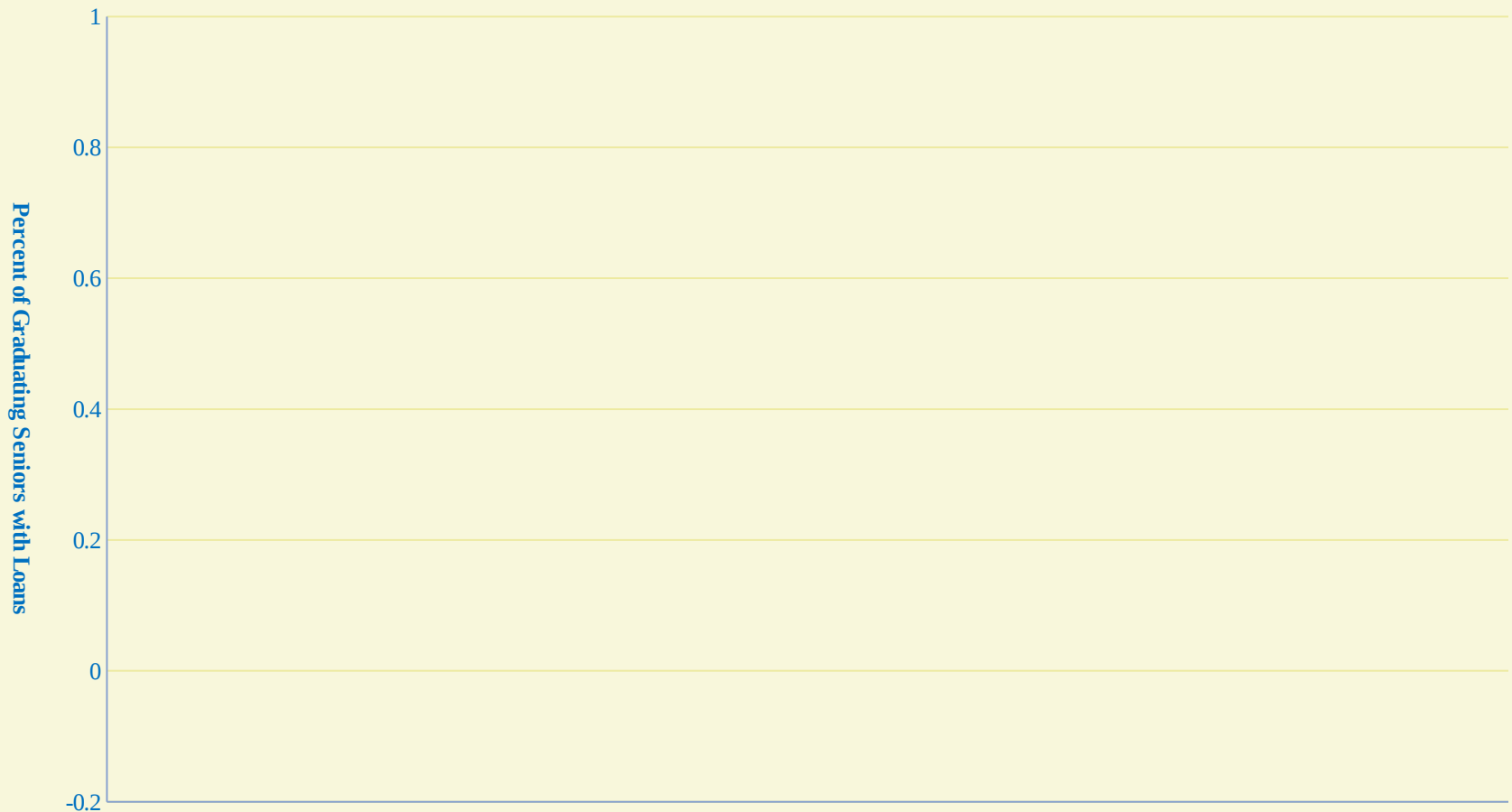


At 2-Years Institutions, 53% graduate or transfer (p. 70)



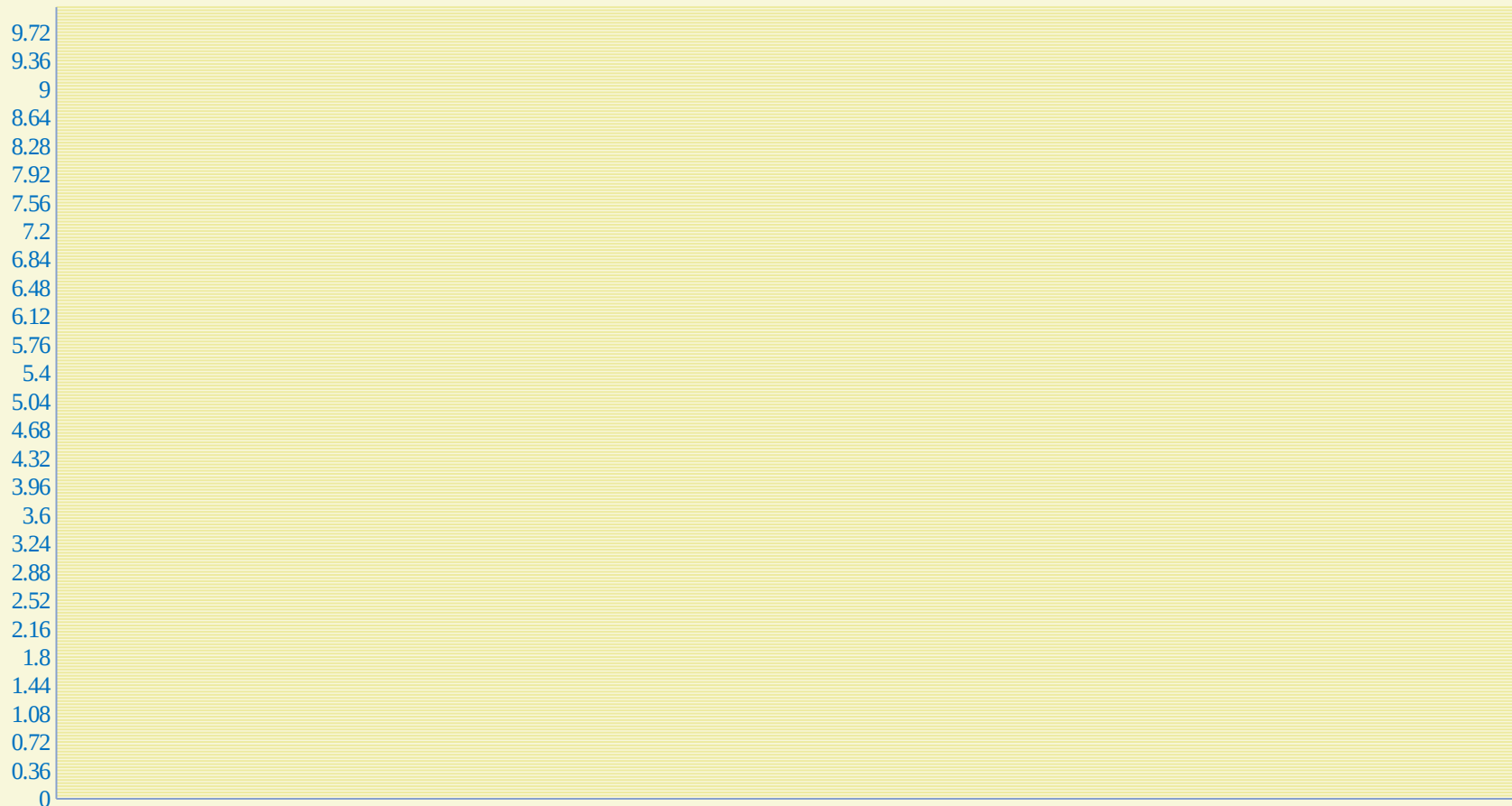
MN students are more likely to have student loans and borrow more (p. 76)

Percent of Graduating Seniors With Student Loans and Average Cumulative Amount Borrowed, 2009-2



MN students had lower default rates than students nationally (p. 80)

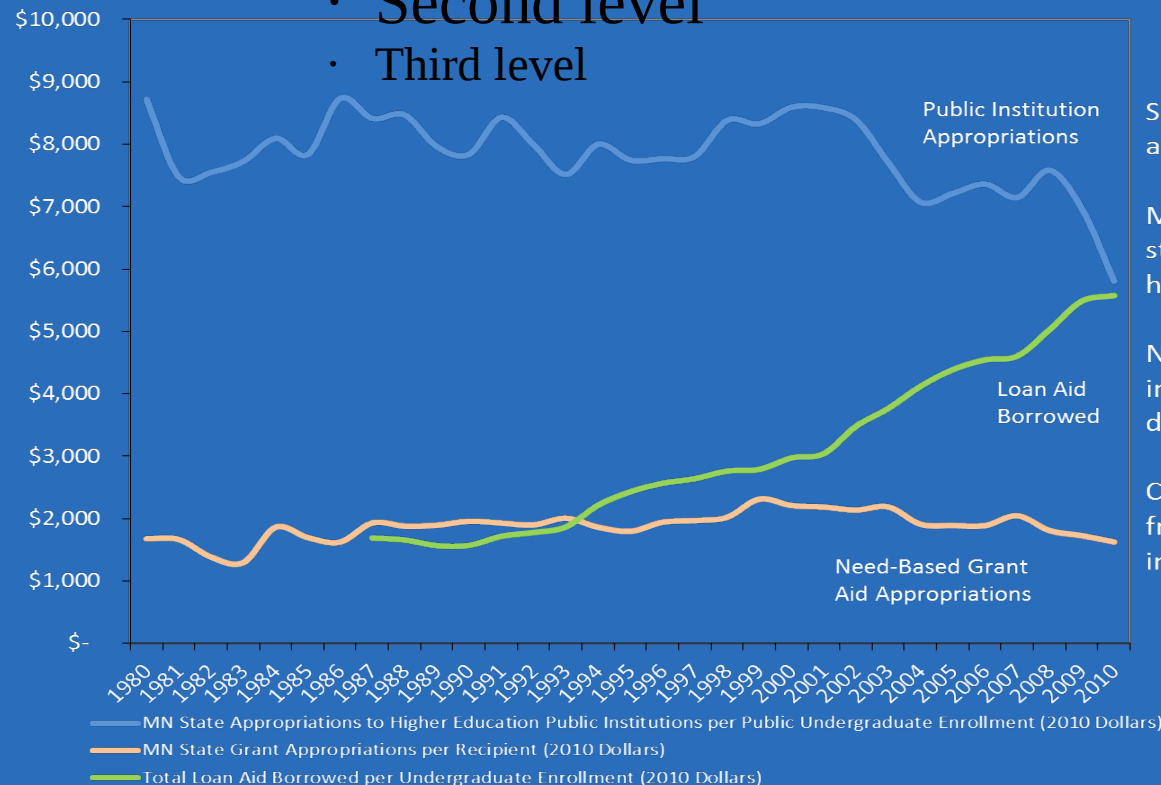
Federal Student Loan Two-Year Default Rates, 2009, By Type of Institution Attended



State Grant, Public Institution Appropriations, and Total Loan Aid Borrowed per Undergraduate Enrollment (Inflation Adjusted to 2010 Dollars)

• Click to edit Master text styles

- Second level
- Third level



Since 1980, in inflation adjusted funding:

Minnesota appropriations per student to public institutions have decreased 33%.

Need-based grants to low-income students have decreased 3%.

Conversely, total borrowing from government sources has increased 225% since 1987.

Minnesota State Grant Program

Minnesota State Grant

- The State Grant Program balances access and choice
- Provides access to postsecondary for lower-middle- and low-income students
- Allows students and their families to decide how they access postsecondary

Minnesota State Grant

The State Grant Program is designed for shared responsibility:

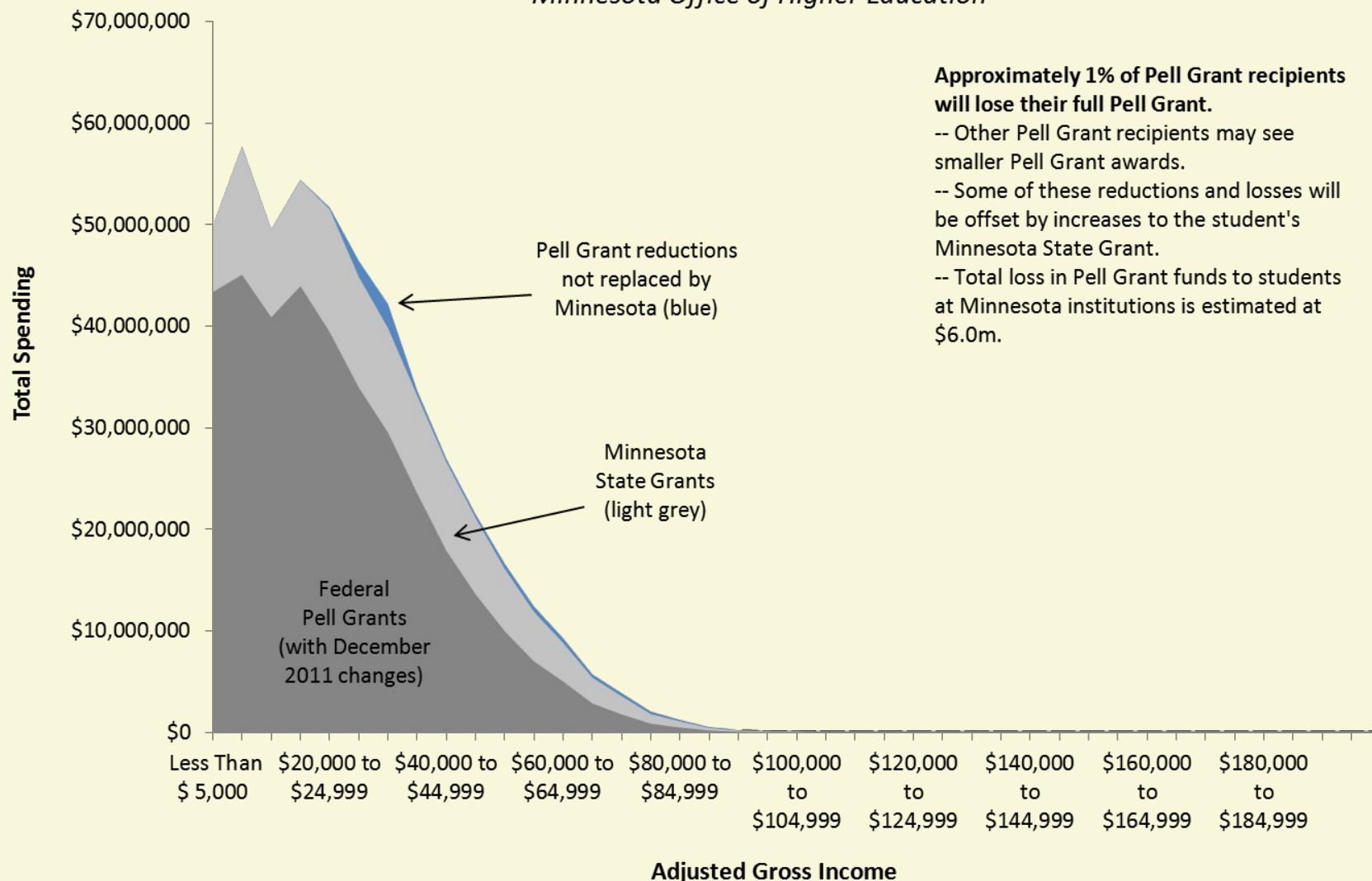
- Students
- Family
- Federal and State Taxpayers (as determined by policymakers)

Minnesota State Grant Projections

- Need remains strong, but
 - Enrollment declined in Fall 2011
 - Wages show some growth in 2010 and 2011
 - Federal Pell Grant has modest reductions for FY2013
- Stability for FY2013
 - Appropriation meets demand without rationing (\$155m)
 - Modest buffer against uncertainty

Federal Pell Grant Spending December 2011 Agreement Compared to Current Law Academic Year 2012-2013 Estimates

Minnesota Office of Higher Education



State Grant/Tuition Reciprocity Estimates

- Current projected deficiency in North Dakota reciprocity of \$ 2.7m
- Current projected spending balance in State Grant of \$ 6.9m
- Report to Legislature due Feb 15th
- Fiscally conservative approach – vetted with MMB and Governors office
- Maintain balance, allocate to reciprocity & LME

Three key trends in Minnesota higher education:

- **Accessibility and Cost**

- Tuition in Minnesota has increased at more than 3 times the rate of inflation and per capita personal income in the past decade
 - Student debt has increased, both in terms of number of students with loans and how much they borrow
 - Total undergraduate price of attendance in Fiscal Year 2009 in Minnesota is estimated at about \$6 billion
 - Nearly \$5 billion was paid for by students and their families
 - Of the \$5 billion, \$1.7 billion is loans and \$3.2 billion is current income

Key trends, continued

- Increased pressure for measurable results
 - Graduation rates/timeframes
 - Alignment to workforce
 - Postsecondary readiness
 - Appropriate and productive education/career pathways
- Demographic trends indicate a shrinking pool of high school graduates
 - A growing proportion are students traditionally underserved by postsecondary

Challenges & Opportunities

Collaborations Necessary

- MnSCU/E-12
 - DEED/MnSCU/For-Profit Career Colleges
 - U of M/Private Colleges/MnSCU
-
- Ramp-up postsecondary readiness
 - Assure student access to quality choices
 - Improve financial aid and savings for both traditional and non-traditional students
 - Improve postsecondary productivity

- Respond effectively to demographic changes and pending workforce shortages
 - Better alignment to the rapidly changing workforce
 - Strive for 100% of learners to enter and stay on pathways to successful postsecondary attainment/workforce entry
- Evaluate and improve postsecondary quality and productivity

- Renewed opportunity to develop a unified vision/objective/work plan for postsecondary education
- Increase accountability for excellence
- Increase accountability for better results

Looking forward

- SLEDS - Statewide Longitudinal Education Data System
- Efficiencies Hand-Out
- Financial Literacy grant awards
- Study of Graduate Education in For-Profit Sector